

Oil and Gas Leasing Program

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STATE OF WASHINGTON
DEPARTMENT OF
NATURAL RESOURCES

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The Board of Natural Resources, on June 13, 1985 in Resolution 490, adopted the Oil and Gas Leasing Program to carry out the goals and policies for oil and gas leasing on Department-managed lands.

PROLOGUE

A great share of a nation's wealth comes from its natural resources - mining, agriculture, forestry and fishing - through application of labor and technology. An increase in significant new wealth to a nation or state is usually as a result of sound development of its natural resources. These facts are basic to every resource management agency.

Continuing world demand for petroleum products is the underlying reason why such natural resources are a potential source of wealth to the state.

Modern exploration for oil and gas presents a far greater challenge than ever before. Sites that have potential that would have been ignored or overlooked ten years ago, today can be identified and drilled using modern exploration techniques. New techniques in exploration and production are being devised to bring these resources into production.

The geology of the Pacific Northwest has long been considered favorable for the discovery of oil and gas. For example 20 billion cubic feet of natural gas worth \$60 million have been discovered in Oregon since 1979. Washington is still considered a "frontier" area with geological conditions in a number of areas suggesting the presence of oil and gas.

It is the purpose of this document to provide a basis for exploration and production which will fulfill trust principles in ways which protect other natural resources and maintain high environmental standards.

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PREFACE

The Department of Natural Resources, State of Washington, is authorized to lease state-owned land for oil and gas exploration, development and production. (Chapter 79.14 RCW). In recognition of potential environmental impacts and the disruption to established land uses which may occur from oil and gas exploration, development and production activities the department establishes the following process.

I. Program Plan

The plan describes the department's Oil and Gas Leasing Program. The department accepts or rejects lease applications, auctions leases, monitors the lessee's activities and provides information to the public on leasing activity. Preliminary investigations, exploratory drilling, development, production and reclamation are done by the lessee. Although these operations are not conducted by the department, the department can condition or deny any or all of the actions through policies, laws and lease terms.

II. Final Programmatic Environmental Impact Statement (FEIS)

An environmental impact statement has been written to form a base line for evaluating proposed oil and gas activities. Since the program will be applied to a wide range of topographic, climatic, soil, aquatic and vegetative conditions, a general description of probable impacts is provided.

III. Supplemental Environmental Protection Procedures

A State Environmental Policy Act (SEPA) checklist will be completed and threshold determination made by the department prior to leasing. The lessee or operator will complete an additional checklist and the designated lead agency shall make the determination before beginning exploratory drilling, development or production activities.

ENVIRONMENTAL ANALYSIS AND PUBLIC REVIEW

The purpose of this document is to present and explain the department's Oil and Gas Leasing Program. This program document is accompanied by a separate Final Programmatic Environmental Impact Statement (FEIS). In general, the FEIS presents the program elements and their alternatives, analyzes the potential environmental impacts of each and discusses the rationale for the selection of the preferred alternative. The purpose of the FEIS is to provide general information to assist department decision makers in selecting the preferred program elements and to disclose the environmental impacts of the program to other agencies and the public.

The program and FEIS are limited to decisions on exploration and leasing of department-managed land for oil and gas purposes. Possible future management decisions on use of specific state land parcels are not intended to be part of the program or FEIS. These decisions could include, for example, management for residential uses, commercial leasing, mineral leasing and fossil fuel development and production. When and if such

future decisions are made, they will be subject to independent environmental analysis.

The program and accompanying FEIS are also not intended to cover activities on private or federal lands, or lands owned and managed by other state agencies for specific purposes such as state parks and wildlife areas. Nor are they intended to cover the department's administration of the Oil and Gas Conservation Act on private or state lands. The state administers those regulations through the department's Division of Geology and Earth Resources. The department's land management activities on state lands are subject to those regulations. This program does not alter those regulations in any way but does show the relationship of the Oil and Gas Leasing Program to them.

The program document and the accompanying FEIS were preceded by public meetings conducted in August 1983 in Aberdeen, Ellensburg, Ephrata, Issaquah and Olympia. Meetings were also held with the Departments of Ecology, Fisheries and Game. Approximately 80 people attended the meetings.

Public meetings were also held in Moses Lake, Wenatchee, Yakima, Everett, Issaquah and Olympia in January 1985.

Changes shown in this document address concerns expressed at the public meetings and in written comments received on the draft program and draft PEIS.

The program document and the FEIS are being made available to federal, state and local agencies, tribes, organizations and individuals.

ORGANIZATION OF THE DOCUMENT

The program document is organized in the following sections: Background; Introduction to Oil and Gas Exploration and Production in Washington; and the Oil and Gas Leasing Program. It also includes a glossary and bibliography.

The Background section describes department organization, the Board of Natural Resources' role and the relationship of the Oil and Gas Conservation Committee to the department and the Board.

The second section provides a history of oil and gas exploration activities in Washington. It also describes the potential for oil and gas discovery and a basic description of the phases of oil and gas production.

The final section describes the department's Oil and Gas Leasing Program including provisions for resource protection and procedures to prevent irreparable disruption of the natural environment.